



CITY OF

LACOMBE

ASSET MANAGEMENT STRATEGY



NOVEMBER 2018

EXECUTIVE SUMMARY

The City of Lacombe provides a wide range of services to the community, with each service requiring the ownership and responsible operation, maintenance and rehabilitation of physical assets.

Asset management helps us manage our assets and deliver services in a way that achieves the required level of service, for least overall cost, and within acceptable risk boundaries. Value is delivered to our community by effectively managing existing and new physical assets. This will help build a resilient community now and in the future.

This Asset Management Strategy provides a documented plan that presents the objectives, practices and the actions we will take when delivering services to our customers. This is the City's first Asset Management Strategy document. As we are just starting out on our asset management journey, some sections incorporate opportunities for future development.



Structure and content of this Strategy

This Strategy has been created to reflect the requirements set out by the Federation of Canadian Municipalities guidelines for an Asset Management Strategy. The sections in this document and how they relate to each other is shown below.



Key outcomes

This strategy will provide guidance and a foundational framework to help the City achieve the following outcomes:

- Provide asset management objectives that demonstrate how asset management contributes to delivering on our City's strategic goals and priorities
- Provide a structured consistent approach to decision-making
- Ensure stakeholder needs are considered as part of our decision-making processes
- Provide transparency with respect to the tools and practices that the City uses to make asset related decisions
- Give clarity around who is responsible for asset management within the City
- Provide a base line for future improvement in asset management practices.

Challenges we are facing

The future is often unpredictable and can greatly impact how the City delivers its services. There are both external and internal factors that affect the way we do business and provide services.

To remain resilient, it is important to be aware of potential challenges and recognize when it is time to adapt our response.

Lacombe is influenced by its history as well as by global, regional and local challenges and opportunities. Some of our specific local challenges are:

- A need for a stronger more diversified local economy
- Natural Lakes and Water bodies

- Aging infrastructure and conflicting funding demands
- Shifts to regional service delivery
- Lack of affordable housing, especially for seniors

Scope of this plan

The City of Lacombe offers a diverse range of services to support our community and we own a wide range of asset types that help deliver these services. This strategy has been developed with an initial focus on City owned asset portfolios. The City's key services and assets include:



Transportation - Roads, bridges, sidewalks, traffic signals, signs, airport, buses, service vehicles, snow ploughs, heavy equipment



Potable water supply - Pipes, valves, hydrants, pump stations



Waste removal - Manholes, pipes, lift stations, solid waste bins, lagoons



Storm management - Ponds, outlets, culverts, ditches, catch basins



Open space recreation - Playfields, playgrounds, trails, trees, parkade, fences



Community & municipal facilities - Lacombe Memorial Center, Sportsplex, City Hall, public works yard, wall murals, paintings, sculptures



Emergency response - Fire trucks, police vehicles, equipment, hand tools, trailers, heavy and light duty trucks



Governance - IT infrastructure, communications, equipment

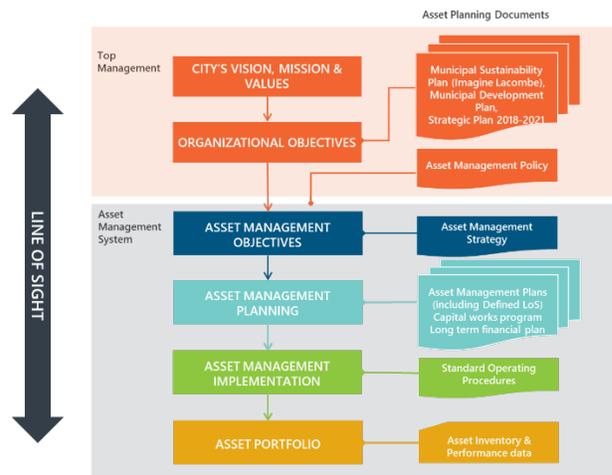
Our stakeholders

Many stakeholders' needs must be considered in the asset planning process. Defining stakeholders helps us identify desired levels of service, allowing us to communicate how achievable these are with the funding we have available. Engaging and communicating with our stakeholders is important to City Council and Staff. In the future we will plan communication considering both our internal stakeholders, those who are directly involved in the asset planning delivery process, and external stakeholders, those that influence the levels of service being provided or are influenced by the levels of service.



Asset management policy and objectives

The strategic goals and objectives set by Council inform the asset management objectives included in this plan. By including these we create a clear linkage between the City's purpose and the assets required to fulfill its commitments.



Our City's key goals and objectives focus around sustainability, and so we have developed an asset management policy and objectives that contribute to these. Our asset management policy principles are:

- **Service delivery to our community:** clearly defining levels of service
- **Thinking long-term:** considering societal, environmental and economic factors
- **Taking a customer orientated approach:** looks at how our decisions affect all departments and the whole community
- **Balanced decision making:** making investment decisions that balance our defined levels of service, risk, and whole-life asset cost
- **Continually improving:** measuring the effectiveness of our asset management processes

The following table details our asset management objectives as they relate to the City's 2018-2022 Strategic Plan sustainability pillars.

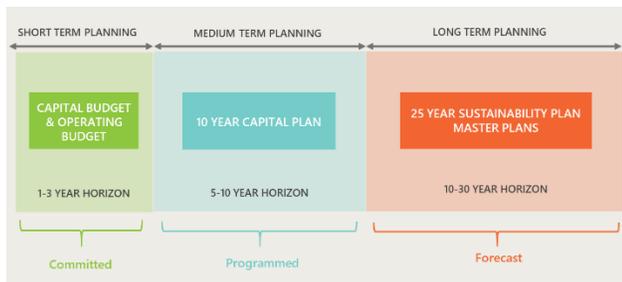
City strategic plan goal	Asset management objective
 Governance - Open & accessible Government, Maintaining relationships with citizens & regional partners, Fiscal prudence  Environment - Green space preservation  Social - Emergency services	Defined Levels of Service with measurable targets for each service area, developed using a consistent approach
 Governance - Fiscal prudence	Minimize asset related risk with underfunding assets – both the impact on assets and the associated level of service
 Governance - Improved reporting	Assets meet regulatory and good practice requirements
 Governance - Building capacity	Roles & responsibilities for asset management defined and resources available and appropriate to support asset management
 Governance - Open & accessible Government  Environment - Sustainable infrastructure	Actively use the Asset Management Policy and Asset Management Strategy to ensure a consistent, City wide approach to asset management
 Governance - Fiscal prudence  Economy - Economic growth	Long term financial planning informed by 10 to 20-year Investment Plan for operations, maintenance, renewals and new/improvement works, including revenue and reserves forecasting
 Governance - Fiscal prudence  Environment - Sustainable infrastructure, Economic prosperity	Initial Asset Management Plans established detailing long term (20+ years) planning for each key service area
 Environment - Sustainable infrastructure	Minimize the negative impact of assets on the environment (assets projects with environmental impact to be defined)
 Environment - Sustainable infrastructure	Establish an integrated single source of the truth for asset data that is regularly updated and accessible to all staff
 Environment - Sustainable infrastructure	Documented decision process (formal, consistent and repeatable) to prioritize capital projects
 Environment - Sustainable infrastructure	Assess risk consistently across the City through City risk management process
 Governance - Improved reporting	Performance is tracked against the asset management objectives and performance baselines

Planning & decision-making approach

Long-term planning and evidence-based decision making are fundamental building blocks for asset management.

The City is responsible for ensuring consistent short-term, medium-term and long-term planning

processes and cycles are applied. The City’s current planning horizons and documents are shown below.



The City's current planning process:

- Is conducted annually
- Has a 10-year planning horizon for asset preservation activities and new capital planning
- Informs the budget proposal and approval process
- Informs future maintenance strategies.

Projects identified for the 10-year capital plan result from asset preservation and improvement needs. Currently, the 10-Year Capital Plan is developed based on the outputs from the City's various Master plans and feasibility studies. Renewal projects are identified based on the age and condition of the asset. Other times projects are identified because of community feedback.

For this initial Asset Management Strategy, the City has established key criteria for prioritizing capital projects including:

- Alignment with the City's strategic goals
- Service delivery provision
- Criticality of the asset - the assets which are most critical to providing an important community service will be given a higher priority than those that do not.

Responsibility for asset management

The City is beginning the asset management implementation process. The role of the asset

management team will evolve as the City's asset management maturity increases. However, the City has established an Asset Management Steering Committee to lead the process of integrating asset management into the City's organization. This group includes representatives from across the City's Business Units. Alongside this committee, the Mayor, Chief Administrative Officer and Directors of Business Units have been involved in the development of the draft Asset Management Policy.

Improving asset management

Improving asset management takes time, as we gather more understanding of the practices, asset information and tools available to us.

The City has benefited from funding made available through the Federation of Canadian Municipalities to start the development of asset management. The first phase of this includes the development of our:

- Asset Management Policy
- Asset Management Strategy
- Asset Management Framework as part of this strategy

A high-level assessment of the asset management "maturity" of the City's current business practices has also been completed. This identifies key initiatives that will help us advance our asset management program over the next 1-5 years. The top 10 improvement initiatives are summarized in this strategy. A detailed **Implementation Program** will be compiled to provide a clear "road-map" that prioritizes these initiatives and sets out the specific activities, timeframes, resources, budgets and accountability required to achieve them.

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Document History and Status

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Revision Details

Revision	Details

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SYMBOLS AND ABBREVIATIONS

The City “The City of Lacombe” is abbreviated to “The City” throughout this document



Future development

This symbol denotes opportunities for future development of this Asset Management Strategy and is included where sections of this strategy can be updated to document changes as asset management practices continue to improve. The future development areas are summarized in the **Performance monitoring & innovation** section at the end of this document.



Integrating sustainability

This symbol highlights the integration between asset management and sustainability and how aspects of this Strategy support our City’s goals in becoming sustainable and resilient.



Key performance measure

This symbol highlights key performance measures within this Asset Management Strategy.

Document Formatting

A consistent colour scheme has been used in figures included in this Asset Management Strategy to help readers understand the different levels of asset management input. These are described below:

	Organizational level
	Strategic level
	Planning level
	Operational level
	Asset level

SECTION 1: PURPOSE OF THIS PLAN

Asset management is a business model for management of assets and delivery of services in a way that achieves the required level of service, for least overall cost, and within acceptable risk boundaries.

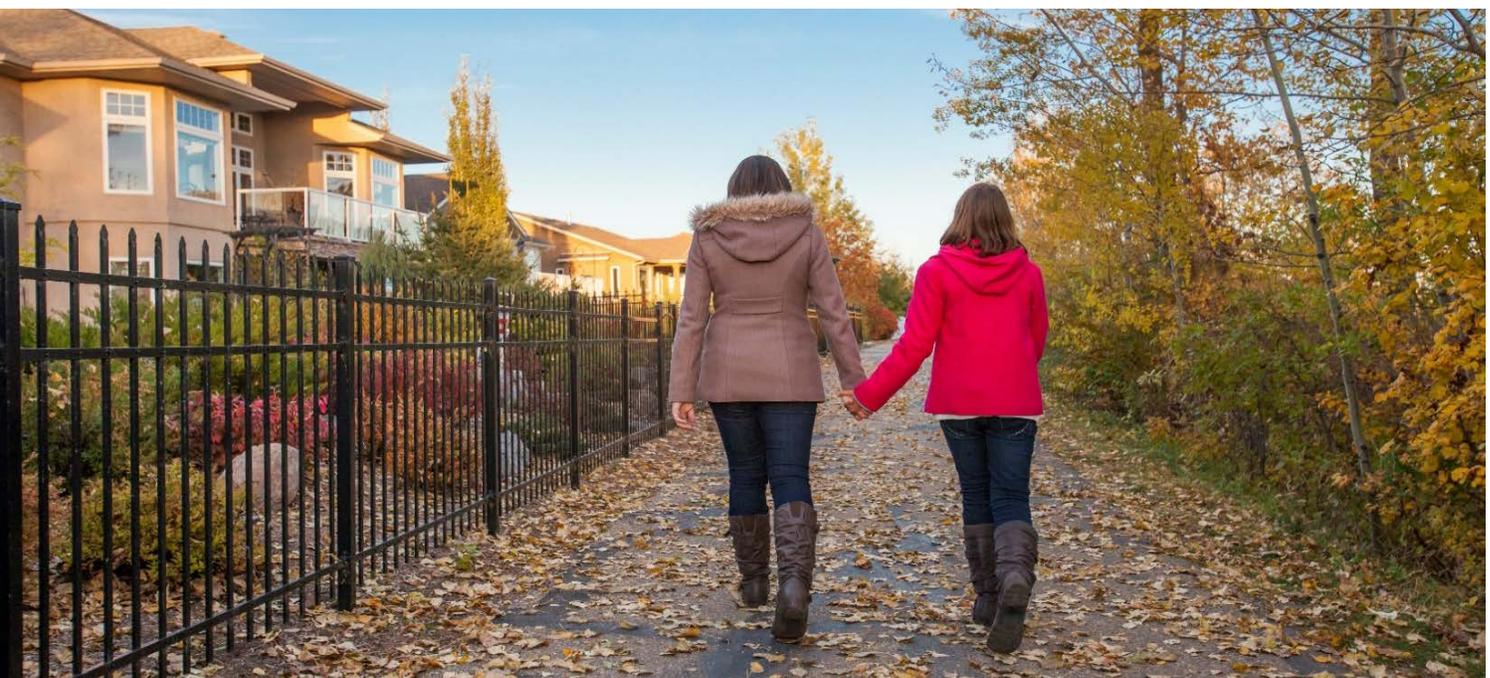
The City of Lacombe provides a wide range of services to the community, with each service requiring the ownership and responsible operation, maintenance and rehabilitation of physical assets.

This asset management strategy provides a documented plan that presents the objectives, practices and the actions we will take when delivering services to our customers. The strategy takes a medium-term view. The aim being to balance current asset service provision with stakeholders' expectation over this period. To ensure success, this strategy links "top-down" organizational expectations and directives with our knowledge of the "bottom-up" operational realities and opportunities.

This asset management strategy is also the key document linking our City's long-term capital plans with the day-to-day responsibilities of our staff.

To effectively manage the assets that provide the service we use recognized approaches, often grouped under the title asset management. This includes having a clear asset management policy and strategy, keeping a current inventory of our assets, planning future works through financial budgets and capital plans, and maintaining and operating our assets effectively and efficiently.

Using asset management practices and tools is essential to effectively managing existing and new infrastructure assets. The result: a resilient community now and in to the future.



Strategy outcomes

This initial Asset Management Strategy will provide guidance and a foundational framework to help the City achieve the following outcomes:

- Provide asset management objectives that demonstrate how asset management contributes to delivering on our City's strategic goals and priorities
- Provide a structured consistent approach to decision-making
- Ensure stakeholder needs are considered as part of our decision-making processes
- Provide transparency with respect to the tools and practices that the City uses to make asset related decisions
- Give clarity around who is responsible for asset management within the City
- Provide a base line for future improvement in asset management practices.

Who should use this strategy?

This strategy is used by the City's management and staff, to guide decisions about the City's services and their supporting assets. The strategy is also available to all stakeholders, for information.

Plan updates and endorsement

This is the City's first Asset Management Strategy document. As we are just starting out on our asset management journey, some sections incorporate opportunities for future development. All asset

management strategies and plans are "living documents", and as such are regularly reviewed and updated to reflect continuous improvement.



Future development

The adoption of this plan by Council and Chief Administration Officer acknowledges their support for implementation and continuous improvement of asset management by the City.

Integrating sustainability



The City is committed to creating a sustainable future for its community.

The City's Sustainability Plan, Imagine Lacombe, was developed in 2013 and outlines key goals, strategies and actions to help the City move towards this sustainable future.

Asset management practices provide a key link in achieving the City's sustainability goals. Asset management provides a business model for management of assets and delivery of services in a way that achieves required level of service, for least overall cost, and within acceptable risk boundaries. Using asset management, value is delivered to our community by effectively managing our existing and new infrastructure assets in a sustainable way. This will help build a resilient community now and in the future.

SECTION 2: BACKGROUND

The City of Lacombe is a vibrant, fast-growing community of over 13,000 residents that welcomes innovation and enterprise while honouring its architectural and cultural heritage.

Our community

The City of Lacombe is located at the cross roads of Highway 2A & 12 in Alberta, near the City of Red Deer, between Edmonton and Calgary. The City has a rich natural environment with lakes and green spaces, along with a wide range of lifestyle amenities and recreational opportunities.

Lacombe boasts a strong cultural heritage and is committed to its preservation. We recognize that the downtown architecture and historic character provides a sense of identity, which must be protected.

The City is also an ideal location for commercial and industrial development with a ready supply of serviced, suitably zoned land available. Economic features include a diversified agriculture industry, federal and provincial agriculture research facilities, oil and gas production, service industry, small business, lake-based recreation and tourism.

Our vision

Our vision provides a long-term picture of what our community wishes to become and indicates what makes Lacombe unique. Our City's vision is:

“Growing from our historic roots, the City of Lacombe is a vibrant, thriving and welcoming community.”



Our mission

Our mission answers a question about what business the community is in. It lets readers know what Lacombe does and who benefits. Our mission is:

“Lacombe innovates; challenging ourselves and others to support a vibrant, verdant, intergenerational city of choice”

Our values

Our values are the guiding principles that help determine how the City will operate. They are the foundation for the culture we want to create in our community. Our values are:

**Collaboration
Fiscal Responsibility
Innovation
Integrity
Respect**

Developing asset management

In 2012, several Canadian organizations commissioned the Canadian Infrastructure Report Card, with the purpose of the card being to quantify the state of the infrastructure across Canada. The aim being to provide insight into the national state of Canadian communities. The report noted that municipalities across Canada were not investing enough into their infrastructure, which was causing asset and therefore the service they provide to deteriorate.

In response, the Federation of Canadian Municipalities (FCM) Municipal Asset Management Program (MAMP), and other similar programs, were created to support Canadian Municipalities in improving the state of their infrastructure.

To kickstart the City's asset management system we applied for grant funding under the FCM MAMP. Our application was accepted, and the City has leveraged this money to support the development of an asset management policy, strategy and staff training, helping to start our journey towards sustainable infrastructure planning.



SECTION 3: OUR BUSINESS CONTEXT

The future is often unpredictable and can greatly impact how the City delivers its services. There are both external and internal factors that affect the way we do business and provide services.

To remain resilient, it is important to be aware of these potential challenges, as well as to be able to recognize when it is time to adapt our business strategy and priorities to accommodate a changing world.

Challenges we are facing



Lacombe, like all communities, is influenced by its history as well as by global, regional and local challenges and opportunities.

From our previous Sustainability planning community engagement, the following local challenges were identified:

- A need for a stronger more diversified local economy
- Natural Lakes and Water bodies
- Aging infrastructure and conflicting funding demands
- Shifts to regional service delivery
- Lack of affordable housing, especially for seniors

External factors affecting our business

External factors are events that occur outside the City’s organization and are often beyond our control. Some of the external factors affecting our business are:

- Population change
- Demographic change

- Economic change
- Political change
- Gas prices
- Resource scarcity
- Environmental and climate change
- Changing regulatory environment
- Changes to the Municipal Government Act
- Rapidly changing technology innovations
- Pressures from social media
- Expectations from customers for increased levels of service



Internal factors affecting our business

Internal factors are events that occur within the organization, over which we have direct control. There are numerous internal factors affecting the City’s business, which we must consider within the asset management context. Some of these are:

- Election cycle and changes in Council personnel
- Changes in strategic direction between Councils
- Changes to the community Vision and Mission
- The number and scale of services the City provides
- The capacity and skill of our staff to deliver services, including limited staff with multiple roles
- Retirement of Senior staff and the loss of corporate memory
- The purchasing, installation and training of new computer equipment and programs
- Increased data management requirements
- Changes in communication

- Requirements for increased transparency of service delivery
- Pressure to provide increased services for a reduced cost
- Staff retention, recruitment and talent



Improvement opportunity

To improve in this area, we will undertake a more comprehensive business context analysis, such as SWOT¹ or PESTLE² analysis, to inform future iterations of the Asset Management Strategy.



¹ Strengths, Weaknesses, opportunities & Threats analysis

² Political, Economic, Social, Technological, Legal and Environmental (typically an externally focused analysis)

SECTION 4: SCOPE OF THIS PLAN

The City of Lacombe offers a diverse range of services to support our community and we own a wide range of asset types that help deliver these services.

Our services and supporting assets

Quality, good condition and reliable infrastructure assets, is critical to supporting the quality of life for everyone that either lives or does business within the City.

This strategy has been developed with an initial focus on City owned asset portfolios. Below is a summary of the services the City provides and examples of City owned assets that help the City to deliver these services.



Integrating sustainability

The City has some natural assets, including such amenities as ponds, streams and other natural ecological areas. At this stage, these natural assets will not form part of the core focus for asset management implementation but will be considered in future program scope.

Service provided	Assets supporting service delivery
 Transportation	Roads, bridges, sidewalks, traffic signals, signs, airport, buses, service vehicles, snow ploughs, heavy equipment
 Potable water supply	Pipes, valves, hydrants, pump stations
 Waste removal	Manholes, pipes, lift stations, solid waste bins, lagoons
 Storm management	Ponds, outlets, culverts, ditches, catch basins
 Open space recreation	Playfields, playgrounds, trails, trees, parkade, fences
 Community & municipal facilities	Lacombe Memorial Center, Sportsplex, City Hall, public works yard, wall murals, paintings, sculptures
 Emergency response	Fire trucks, police vehicles, equipment, hand tools, trailers, heavy and light duty trucks
 Governance	IT infrastructure, communications, equipment

Asset inventory today

A robust database of asset information can provide a foundation for most asset management functions. The City depends on their experienced staff for most information. However, with the advancement of technology as well as changes in regulations, the City recognizes that they need to collect their asset data in a more formalized, organized and consistent way.

The City has worked hard to implement a corporate Geographic Information System (GIS). A GIS provides spatial data that supports good asset management planning. In our GIS central database, we store information on roads, utilities, parks, and facilities. The data we store includes asset location and technical information like material type and dimensions.

GIS database has significant functional capability that can be used for analysis and to support asset management decision-making.

Other important data is recorded in the City's Tangible Capital Asset (TCA) registry, which includes estimates on the value of their infrastructure, and typical lifespans (useful lives). Lifespans are based on industry accepted theoretical averages and are used to calculate depreciation and depreciated replacement costs, both of which must be reported. From an asset management perspective, the accounting data can

be used as a high-level forecast for whether the City will be subjected to higher than usual replacement costs in a given year. This insight allows us to start to plan for future replacements.

Other data is recorded and managed within various databases managed by individual departments. See Section 9 for further details on Information Management systems.



Future development

As the City continues to collate more accurate inventory, condition and replacement costs data for our assets, we will be able to include a summary of the state of our infrastructure in this strategy. This can be used to guide the development of future asset management objectives, planning and decision making.



SECTION 5: OUR STAKEHOLDERS' NEEDS AND EXPECTATIONS

Many stakeholders' needs must be considered in the asset planning process. This section lists these key stakeholders. Defining stakeholders and levels of service will enable us to develop an asset management consultation plan.

Key stakeholders

For strategic asset management planning purposes, internal and external stakeholders are defined, in terms of their relationship to assets, as follows:

- **Internal stakeholders** are directly involved in the asset planning and delivery process. This includes operational data collection, data analytics, project identification, capital works planning, operations, maintenance, and project delivery.
- **External stakeholders** are those that influence the levels of service being provided and those that are influenced by the levels of service, including other interested parties, such as advocacy groups, chambers of commerce, and tourism boards.
- **Customers** are also external stakeholders but are people and other groups that directly benefit from the assets that are provided.

Our external stakeholders

Some key external stakeholders include:

- The public
- Businesses
- Regional services commissions
- Lacombe County
- Town of Blackfalds

- CP Rail
- Alberta Transportation
- Provincial and Federal Government
- Chamber of commerce

Our internal stakeholders

Mayor and Council is responsible for committing the organization to implementing asset management by setting policy, as well as making choices for the community.

Corporate Leadership Team is responsible for communicating and providing Council with the necessary information to inform their decisions.

Management Staff are responsible for planning and decision making at a departmental level, as well as defining Standard Operating Procedures and managing resourcing for service delivery.

Operational Staff are responsible for ensuring service delivery meets the City's requirements. They are key to making on the ground operational and maintenance decisions, following Standard Operating Procedures and collecting data for use in planning and decision making.

Understanding our stakeholders' needs and expectations

We need to understand the effects that stakeholder / customer needs and expectations have on asset management, including overall service delivery provision and prioritization of service delivery programs. Our City Council is proactive in their communication approach and uses various approaches to ensure two-way communication with stakeholders.

We currently engage with **external stakeholders** by conducting individual and group interviews, surveys, hosting open houses, social media via Facebook and Twitter, and website updates. The level of and intensity of the engagement as well as the engagement type is dependant on the

complexity of the issue as well as the project risk and varies. The City is always looking for new opportunity to engage its stakeholders and has a Public Engagement Policy providing guidance for this engagement.

Communication with our **internal stakeholder** groups is primarily through the Corporate Leadership Team and Asset Management Steering Committee. This ensures consistent approaches are applied at the top management level.



Future development

To improve in this area, we will undertake a more comprehensive stakeholder analysis, including development a stakeholder engagement matrix, to inform future iterations of the Asset Management Strategy.



SECTION 6: ALIGNING WITH OUR CITY'S STRATEGIES

The City needs to clearly show how the management and operation of the City's assets contributes to achieving the City's goals and objectives. This Asset Management Strategy helps to provide a clear line of sight between the long-term sustainability focus of our plans and strategies and the short-term activities on our assets.

The City's organisational goals and objectives are found detailed in several strategic planning documents. How the City's assets are managed and operated plays a key role in achieving these goals and objectives. Many of these goals and objectives are reliant on the long-term sustainability of the City's infrastructure. For this reason, one of the objectives of the Asset Management Strategy is to provide a clear "line of sight" between those high-

level objectives and the day-to-day activities carried out on the City's assets.

Figure 1 shows the concept of "line of sight" from the City's Vision, Mission and Values down through the Organizational Strategic Plans, Asset Management Policy, Asset Management Strategy and Asset Management Plans, through to implementation of physical works and performance of our assets.

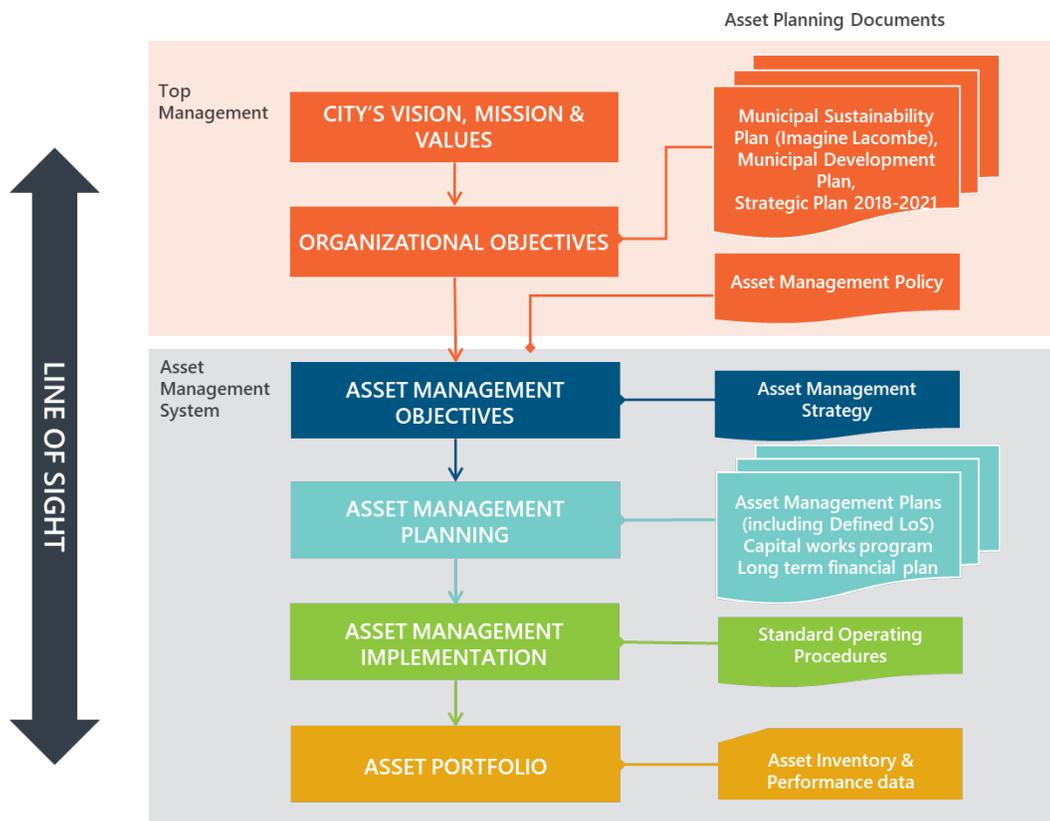


Figure 1 – Line of sight for asset management outcomes

Key goals & objectives from our City's strategies and plans

Two of the City's key plans are our Sustainability Plan (Imagine Lacombe) and our most recently developed planning document, the 2018-2021 Strategic Plan. These plans have been created to articulate the community's shared vision, mission, values and strategies for a successful and sustainable future. Imagine Lacombe has a long-term focus through to 2040, while the Strategic Plan is focussed on near term goals and objectives. Both

plans have similar themes to provide direction to the City's staff for service delivery.

The City also has other plans, such as the Growing Lacombe Municipal Development Plan and various Master Plans. These plans generally have a long-term focus that encompasses analysis of future demand to help visualize the community's growth and development and to address current needs, challenges and realities of the community. These plans provide input for decision making, particularly about capital projects.

Imagine Lacombe (2014-2040) Sustainability priority goals



Build a strong, local and diverse economy



Preserve and enhance heritage and culture



Promote a healthy, connected, and active community



Protect our natural environment



Provide high quality services and infrastructure

2018-2022 Strategic Plan Sustainability pillars



Economy

Achieving economic vitality, growth and development that improve quality of life and the environment.



Cultural

Shared values, community events, cultural and recreational activities reflect the diverse traditions, customs, values, heritage, identity and history of Lacombe



Social

The health, well-being, safety and quality of life of individuals, families and the community



Environment

Community environmental stewardship and the health, quality, diversity and abundance of local and global environment.



Governance

Municipal governance processes, capacity to manage resources, develop and implement sound public policy, engage and interact with community and regional and provincial government.

SECTION 7: OUR ASSET MANAGEMENT POLICY AND OBJECTIVES

Asset management policy and objectives provide the rationale and outcomes required in the Asset Management System. They provide a direct link to the City’s corporate objectives but specifically relate to the service delivery asset requirements.

Asset management policy – the “rules” we work by

The City has developed a draft Asset Management Policy. The purpose of the policy is to outline the fundamental principles that will guide consistent asset management across all Departments in the City.

The following asset management principles focus on long-term and sustainable service delivery.

These principles set out the City’s high-level approach to asset management and will directly influence staff decision-making throughout all levels of the organization.



Integrating sustainability

Our Asset Management Policy integrates sustainability through the key principle of “Thinking long-term”. We want to be sustainable not just financially, but also in terms of impacts on our community and the environment.



Service delivery to our community: clearly defining levels of service that support customer needs and meet regulatory requirements, while accounting for risk, affordability and resource availability.



Thinking long-term: considering societal, environmental and economic factors in long-term planning and investment decisions, to make smart decisions today that meet the needs of current and future generations.



Taking a customer orientated approach: using a comprehensive approach that looks at how our decisions affect all departments and the whole community.



Balanced decision making: making investment decisions that balance our defined levels of service, risk, and whole-life asset cost ensuring all citizens have fair and equitable access to City services.



Continually improving: continually measuring the effectiveness of our asset management processes, using evidence to drive innovation, and being adaptive to changing needs.

Asset management objectives

To understand how well the City’s assets are contributing to the strategic goals, we will develop asset management objectives. Asset management objectives provide a direct link to these City goals as

well as the commitments stated in the Asset Management Policy as shown in Figure 2. They guide decision-making in each service area and help the City define what they are trying to achieve with their assets through levels of service. We expect to accomplish these objectives over the next 5 years.

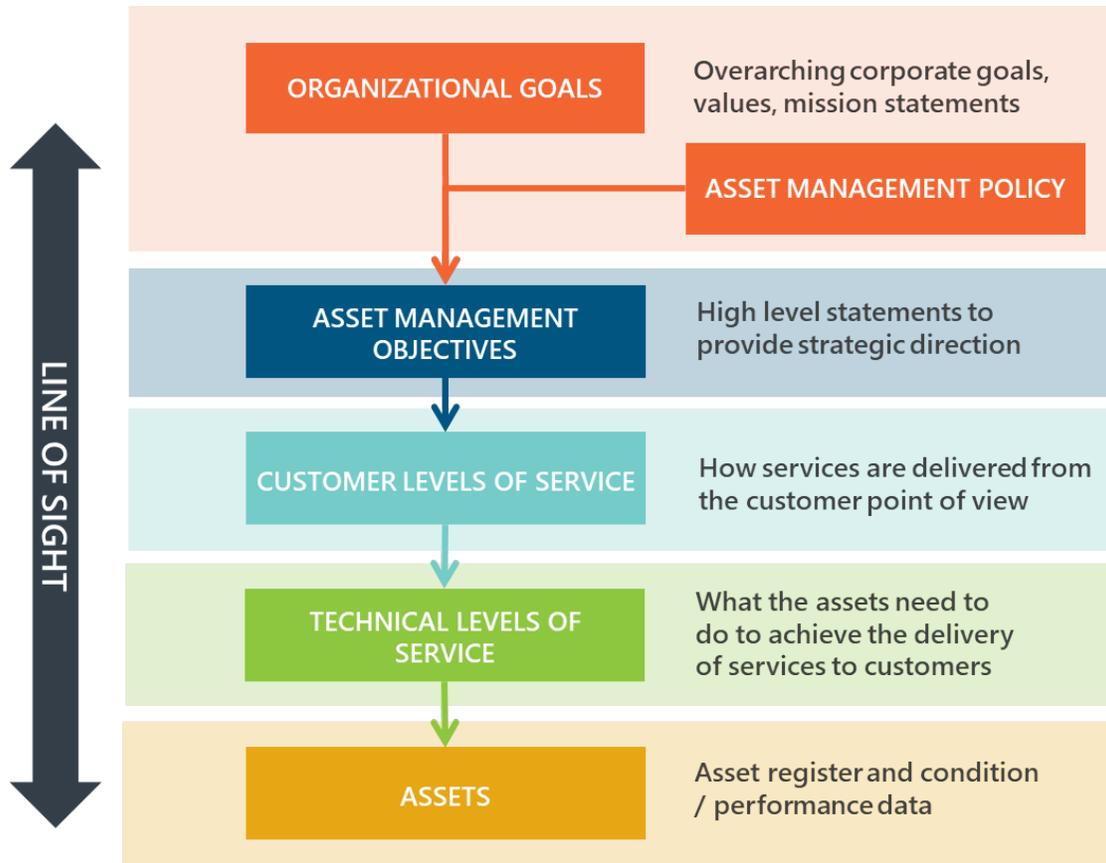


Figure 2 – Asset management objectives

Each asset management objective has a performance indicator and an associated performance measure, so we can demonstrate that the objective is being achieved. Because the City is in the early stages of implementing a formalized asset management system, many of our asset management objectives are related to establishing key aspects of the asset management system. This means many of them are “one-off” actions, with time bound performance measures. These objectives will change over time as we establish our asset management practices and we will be able to include more monitoring measures.

Table 1 outlines the City’s initial asset management objectives.

Table 1 – Asset management objectives

City strategic plan goal	Asset Management Policy statement	Asset management objective			
		ID	Objective	Performance indicator	Performance measure description
 Governance Open & accessible Government (4.1.1B) Maintaining relationships with citizens & regional partners (4.1.2C) Fiscal prudence (4.1.4B)	Service delivery to our community	1	Defined Levels of Service with measurable targets for each service area, developed using a consistent approach	Levels of service	Customer and technical levels of service included in Asset Management Plans
 Environment Green space preservation (4.3.2B)					
 Social Emergency services (4.5.7A)					
 Governance Fiscal prudence (4.1.4B)	Service delivery to our community	2	Minimize asset related risk with underfunding assets – both the impact on assets and the associated level of service	Asset Risk	Backlog of asset renewal works (by cost) reviewed annually (i.e. deferred works due to funding limits)
 Governance Improved reporting (4.1.3A & B)	Service delivery to our community	3	Assets meet regulatory and good practice requirements	Compliance	Monthly compliance reporting by department for asset groups that have regulatory requirements
 Governance Building capacity (4.1.6A & B)	Service delivery to our community	4	Roles & responsibilities for asset management defined and resources available and appropriate to support asset management	Resourcing	Resource plan in place to implement and fund organization wide asset management
 Governance Open & accessible Government (4.1.1B)	Taking a big picture approach	5	Actively use the Asset Management Policy and Asset Management Strategy to ensure a consistent, City wide approach to asset management	Direction	Policy communicated to all staff Asset Management Strategy updated annually
 Environment Sustainable infrastructure (4.3.3A)					

City strategic plan goal	Asset Management Policy statement	Asset management objective			
		ID	Objective	Performance indicator	Performance measure description
 Governance Fiscal prudence (4.1.4C)  Economy Economic growth (4.2.1C)	Thinking long-term	6	Long term financial planning informed by 10 to 20-year Investment Plan for operations, maintenance, renewals and new/improvement works, including revenue and reserves forecasting	Planning	10 to 20-year Investment Plan developed
 Governance Fiscal prudence (4.1.4B&C)  Environment Sustainable infrastructure (4.3.3A) Economic prosperity (4.3.4A)	Thinking long-term	7	Initial Asset Management Plans established detailing long term (20+ years) planning for each key service area	Planning	Initial Asset Management Plans established, updated
 Environment Sustainable infrastructure (4.3.3B, C, D)	Thinking long-term	8	Minimize the negative impact of assets on the environment (assets projects with environmental impact to be defined)	Environmental impact	% projects with formal environmental impact assessment
 Environment Sustainable infrastructure (4.3.3A)	Balanced decision making	9	Establish an integrated single source of the truth for asset data that is regularly updated and accessible to all staff	Asset information	Data collated into GIS Data capture / management plans
 Environment Sustainable infrastructure (4.3.3A)	Balanced decision making	10	Documented decision process (formal, consistent and repeatable) to prioritize capital projects	Capital project prioritization	% projects with documented prioritization
 Environment Sustainable infrastructure (4.3.3A)	Balanced decision making	11	Assess risk consistently across the City through City risk management process	Risk	Risk management system developed
 Governance Improved reporting (4.1.3A)	Continually improving	12	Performance is tracked against the asset management objectives and performance baselines	Performance	Annual maturity assessment review

Implementing & monitoring our asset management objectives

An important step in translating the asset management objectives into specific tasks and actions is the development of an Implementation Program and the creation of asset specific management plans. Asset management plans provide asset specific information, detailed description of the services they provide to the city and the renewal and maintenance strategies that are used to ensure their continued performance.



Key performance indicators

Achievement of the asset management objectives will be measured through the Key Performance Indicators described above. Measuring the City's progress helps us understand overall progress towards achieving the City's strategic goals and provides insights into continuous improvement initiatives.

What are levels of service and how are they used?

Levels of service establish a level of delivery that balances stakeholder expectations, and service quality and quantity. Service levels are linked by several factors including cost and risk.

Levels of service are one of the key drivers for making decisions on future asset-related investments. As such, service levels must be clearly articulated in terms that end users, the wider community, government officials, and decision-making staff can understand and communicate.

As shown in Figure 2 there are two levels of service types:

- **Customer levels of service** – how services are delivered from the customer point of view
- **Technical levels of service** – what the assets need to do to achieve the delivery of services to customers

By developing and clearly articulating service levels, the City will be able to work with its stakeholders to identify the appropriate balance between affordability and the service level that is being provided. The development of service levels is therefore a vital step towards a fiscally responsible approach to building and maintaining sustainable public infrastructure.

Once established, each Asset Management Plan will document the defined customer and technical levels of service appropriate to their defined asset group.

SECTION 8: OUR PLANNING AND DECISION-MAKING APPROACH

Long term planning and evidence-based decision making are fundamental building blocks for asset management. The City intends to use the Asset Management System to help make decisions about long term financial planning and investment prioritization in the near term.

Planning horizons

The City is responsible for ensuring consistent short-term, medium-term and long-term planning processes and cycles are applied. The City’s current documents that cover the identified time horizons are shown in Figure 3.

Future investment planning is the key link between strategy and asset service delivery, as follows:

- **1-3 Year investment planning** – provides a detailed picture to justify short-term funding and informs the annual budget
- **5-10 investment planning** – informs future funding requirements to ensure the assets continue meeting levels of service requirements
- **10-30 Year investment planning** – informs whole-of-life economic justification and verifies long-term investment level needed to deliver sustainable services

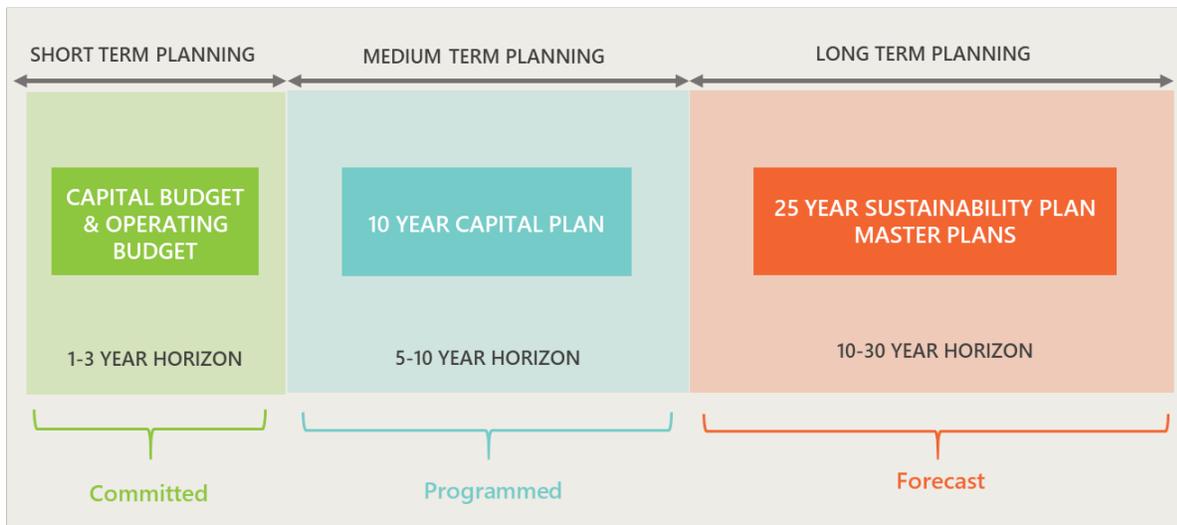


Figure 3 – Short, medium and long-term planning

Annual planning processes

The City’s current planning process:

- Is conducted annually
- Has a 10-year planning horizon for asset preservation activities and new capital planning
- Informs the budget proposal and approval process

- Informs future maintenance strategies.

The annual asset planning timeline is shown in Figure 4. A more detailed business process map for the annual budgeting process is included in Appendix B.

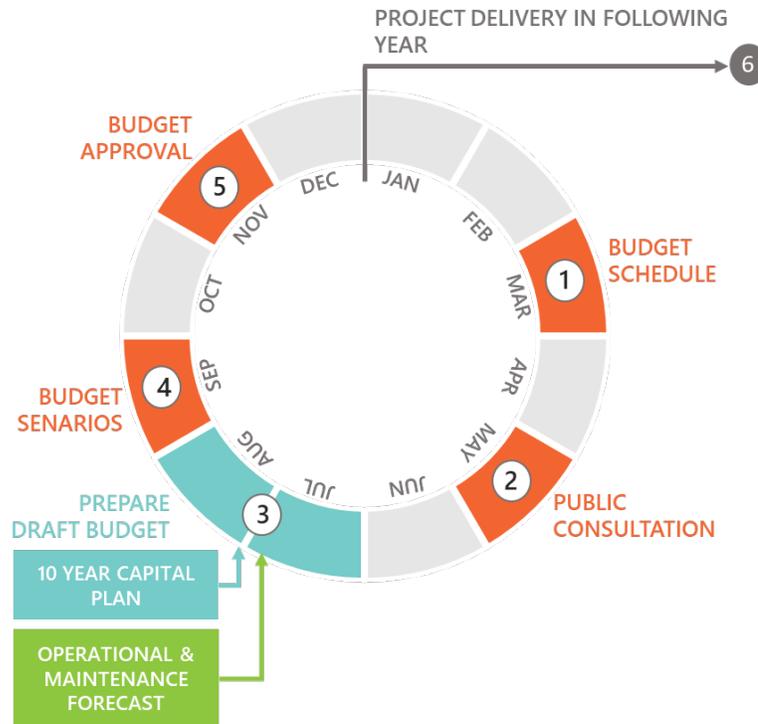


Figure 4 – Annual asset planning timeline

The six key steps to developing the City’s annual budget are described below:

- 1 Budget schedule** – process of proposing, reviewing and approval of the year’s budget timetable.
- 2 Public consultation** – through community surveys, we consult with the public on their needs and desires.

Results from these surveys are compiled into themes, which are used by Council to give direction to staff for prioritizing projects for the following year.

- 3 Prepare draft budget** - the planning process that develops a justified, robust, and prioritised annual program of work. This is completed at department level, with potential capital projects resulting from asset preservation and improvement needs as identified in the 10-year capital plan. Maintenance and operations needs are also assessed. Draft departmental budgets are then submitted to senior management for compilation into a Draft City budget.

4 **Budget scenarios** – using financial policies around revenue, equity and reserves, various budget scenarios are developed. Budget workshops are used to confirm the desired budget scenario.

5 **Budget approval** – the council adopts and approves the desired budget scenario, which is then communicated both internally and externally.

6 **Works Delivery** - the delivery of the annual budget through physical works and programs.

10-year capital plan

The City currently takes a medium-term outlook for capital planning and maintains a 10-year Capital Plan. This plan provides a key input into step 3 above, Prepare draft budget.

The 10-year Capital Plan includes projects which:

- Provide a new asset and related service (e.g. a new recreation facility),
- Improve an existing asset to increase the level of service (e.g. adding an extra traffic lane to a road), or
- Renew an existing asset so it can continue to provide the same level of service (e.g. replacement of a water pipe which is in poor condition).

We will be reviewing the current process to develop a more defined project selection and prioritization process.

The improved planning process will clearly outline how projects are identified and how proposed projects are prioritized. Figure 5 shows an example

of an improved Capital Investment Planning Process, which will be used as a starting point for further development of the existing Capital Planning process.

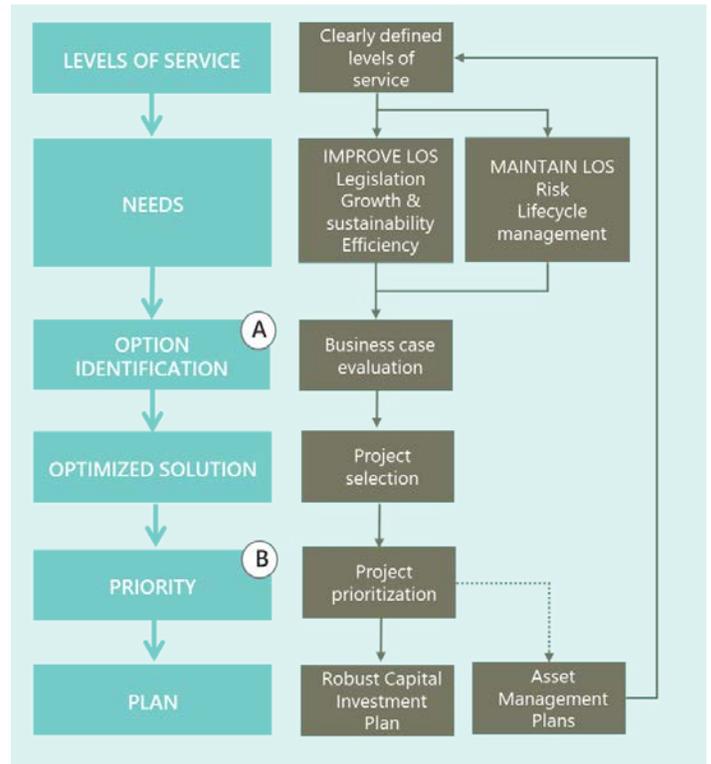


Figure 5 – Improved capital planning process

The processes for identifying and prioritizing capital projects are core components of an asset management system. Providing transparency around the capital decision making process allows our community and other funding agencies to understand the trade-offs between levels of service, risk, and investment.

While the City staff and Council have always made decisions about infrastructure, this plan is the first step in establishing a systematic method to evaluate investment alternatives, and consistently document and communicate the process. As such this is plan

documents an initial high-level process for identifying and prioritizing projects.



Project identification

Projects identified for the 10-year capital plan result from asset preservation and improvement needs. Currently, the 10-Year Capital Plan is developed based on the outputs from the City's various plans and studies including:

- 2013 Transportation Master Plan
- 2013 Recreation & Culture Master Plan
- Various Feasibility Studies

These plans help us to understand future demand for services.

Other renewal projects are identified based on the age and condition of the asset. These projects are generally related to asset compliance, asset performance, user functionality and cost of ownership.

Other times projects are identified because of community feedback.

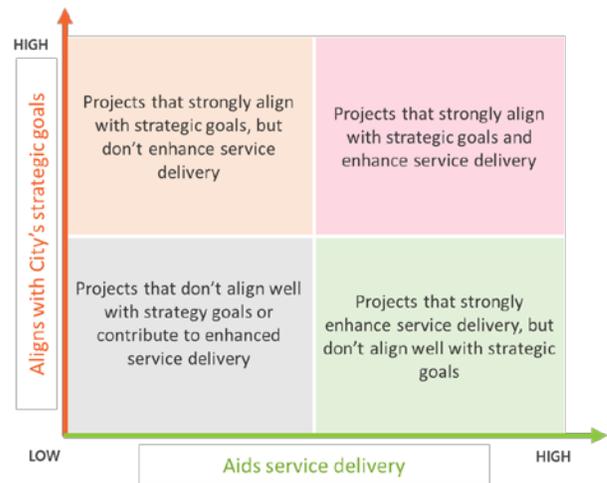


Project prioritization

Decision-making, while ultimately made by Council, can be made easier by framing information in a way that better illustrates the benefits and contrasting costs of different projects. The City will develop a more systematic decision processes to assist investment. Applying a consistent process in all service areas will help us to better compare projects across all departments. Each project, in each asset class, can be considered fairly against other projects.

For this initial Asset Management Strategy, the City has established two key criteria for prioritizing capital projects:

- Alignment with the City's strategic goals
- Service delivery provision



Overlying these key criteria is the criticality of the asset. This means that the assets which are most critical to providing an important community service will be given a higher priority than those that do not.



Future development

Review and develop the project prioritization framework through an internal workshop conducted with City staff to refine inputs into this strategy. This will include a simple rating scale that can be applied to each criterion to provide an alignment score feeding into the prioritization.

Future decision-making

Developing and implementing robust, evidence-based decision-making processes is a key area of improvement for the City. We want to consider not

only the factors outlined above, but also appropriate levels of service, risk tolerance and management, and an overall lifecycle management approach. This will be a key focus in the coming years.

Lifecycle management & planning

Asset Management Plans are a key component of the asset management system structure that contribute to robust decision making. These plans define the asset specific activities that will be implemented and the processes that will be used to

meet the asset management objectives and organizational objectives. They focus on levels of service, life cycle asset management planning as shown in Figure 6, and the resulting long-term cash flow requirements.

As of 2018, the City does not have any Asset Management Plans. Over the next 2-5 years, we will be looking to develop one Asset Management Plan for each of its major asset classes. A summary of the content to be included in such plans is included in Appendix C.



Figure 6 – Planning for the whole asset life cycle

SECTION 9: OUR ASSET MANAGEMENT SYSTEM STRUCTURE

When we talk about the Asset Management System, we are not talking about software. An Asset Management System establishes the asset management policy and objectives and includes the people, processes and technology needed to help us achieve these.

The City aims to establish an Asset Management System structure (framework), that addresses the City's requirements.

While there is a strong knowledge base within the City regarding asset issues, documentation and monitoring of the issues and objectives is currently done informally, which can lead to inconsistencies. A formalised Asset Management System structure will help the City to describe how asset management functions within an organization and establish this consistency.

Figure 7 shows the Asset Management System the City will use to illustrate its asset management practices, along with key asset management documents for each element.

Elements of the asset management system

The key questions answered through each element of the asset management system, as well as the documents, processes and tools included within each element are included in Table 2.



Future development

Asset Management System to be refined and formalized as the City begins to review how asset management will function within the organization

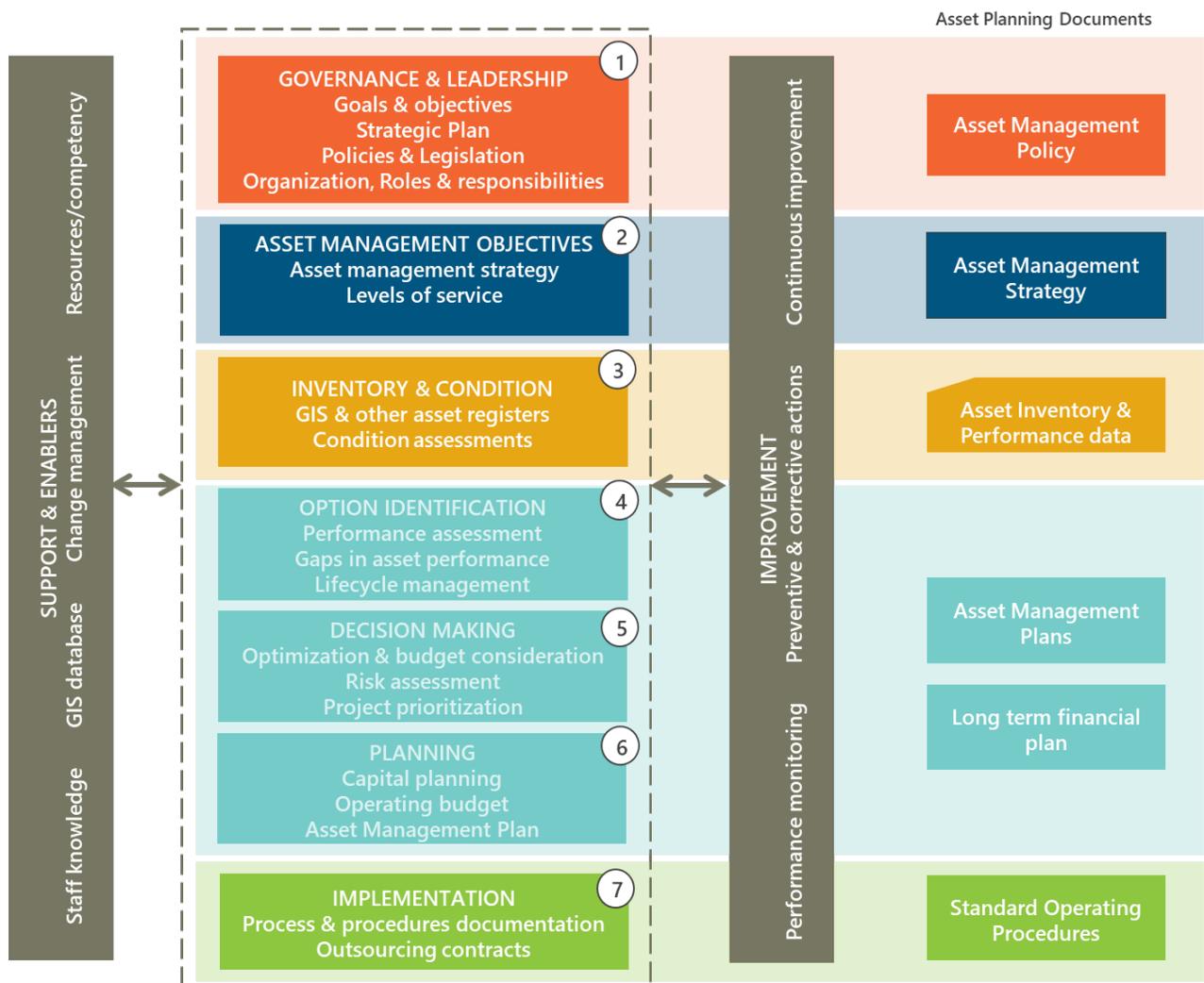


Figure 7 – Asset management system structure

Table 2 – Elements of the Asset management system

AMS element	Key questions answered	Key document	Process	Tools
Governance & Leadership	What do we want? Who will do it?	Asset management policy Fundamental principles for asset management endorsed by City Council. Overarching document that supports and guides delivery of asset management across the City departments. <i>2018 Status: Complete</i>	Asset Management maturity assessment The assessment of the current state of asset management practices. <i>2018 Status: Complete</i>	Maturity assessment spreadsheet Can be reviewed annually to assess where we are at and revise next steps depending on progress
Asset management objectives	What services do we want now and in the future?	Asset Management Strategy Supports Policy, defines role of asset management in achieving organizational objectives Overarching document that supports and guides delivery of asset management across the City departments <i>2018 Status: Complete</i>	Levels of service Development of clearly defined levels of service for each service area for quality and quantity of service currently provided. Document levels of service, performance measures, current and future targets and measured outcomes. <i>2018 Status: To be developed</i>	
Inventory & condition	What do we have? What condition is it in? What is it worth?		Information management Collecting and recording asset data, including inventory, condition, asset valuation, performance, cost tracking and associated reporting. <i>2018 Status: In progress</i>	Data inventory (GIS) Accessible, consistent asset data that can be used to analyse state of infrastructure and for decision-making

AMS element	Key questions answered	Key document	Process	Tools
		Asset management plans Document the asset management strategy and delivery of the asset management objectives across the asset lifecycle of asset creation, acquisition, utilisation, maintenance enhancement and disposal.	State of infrastructure assessment & monitoring Documenting inventory, condition, valuation and performance over time of assets. Includes condition assessment processes and rating methods, assessment of asset replacement cost valuations through unit rate tables and asset lifespan. <i>2018 Status: In progress</i>	Data inventory (GIS) Accessible, consistent asset data that can be used to analyse state of infrastructure and for decision-making
Option identification & Decision making	How is it performing? What do we need to do with it? What are we going to do? What are the risks? How will we prioritize?	Asset management plans Document the asset management strategy and delivery of the asset management objectives across the asset lifecycle of asset creation, acquisition, utilisation, maintenance enhancement and disposal.	Decision Processes Processes for evidence-based decision-making. Reviewing and documenting decision processes for all high priority decisions. Decision process are evaluated for fairness, transparency, repeatability, and robustness. 2018 Status: To be formalized	Project prioritization matrix
Planning	When do we need to do it? How much will it cost?	Long term financial plan 20+ year financial plan that incorporates operating budget, maintenance schedule, renewals requirements, and infrastructure upgrade schedule and related long-term revenue forecast. Summarizes outcomes from long term financial projections for operations, maintenance, renewals and capital programs within asset management plans. <i>2018 Status: To be developed. 10-year capital plan in place currently</i>	Long term financial planning 20+ year financial plan that incorporates operating budget, maintenance schedule, renewals requirements, and infrastructure upgrade schedule and related long-term revenue forecast. <i>2018 Status: To be developed. 10-year capital plan in place currently</i>	Asset valuation Replacement cost is calculated based on historical values adjusted for inflation <i>2018 Status: Costs are re-calculated for the 1-3 year time horizon and for special projects beyond 3 years.</i>

AMS element	Key questions answered	Key document	Process	Tools
		Asset Management Plans Document the asset management strategy and delivery of the asset management objectives across the asset lifecycle of asset creation, acquisition, utilisation, maintenance enhancement and disposal.	Asset lifecycle planning & strategies Developing and implementing strategies for assessing lifecycle management, including demand management, options analysis, performance, and deterioration trends. 2018 Status: 3 AMPs to be developed as per Council's Strategic Plan.	Cost tracking tool To support separate analysis and reporting of costs for operations, maintenance, replacement, and new assets; and for assignment of costs to specific asset(s).
		Risk management plan Documents risk management framework and a risk assessment program	Risk management Risk identification, assessment, reporting, mitigation and monitoring. Assessment of critical assets and associated maintenance strategies. 2018 Status: To be developed	
		Capital plan 20+ year infrastructure renewal and upgrade schedule to determine capital budget	Capital planning Identification and prioritization of capital projects for short and medium-term. 2018 Status: <i>In progress</i>	
Implementation	How will we deliver it?	Maintenance management plan Can be documented separately or included as part of the Asset Management Plan Levels of service and asset performance in the asset management plan are used to establish processes, intervention levels and physical work procedures. 2018 Status: <i>To be developed</i>	Maintenance management Typical maintenance options, methods, and protocols; decision criteria and rules for evaluating maintenance options what maintenance performance indicators are to be tracked and reported. 2018 Status: <i>In progress for some assets</i>	Maintenance management tools 2018 Status: <i>Spreadsheets, and software for some assets.</i>
		Standard operating procedures document Work instructions for specific routine operations. 2018 Status: <i>In progress</i>	Standard Operating Procedures Incorporating maintenance and operations strategy outcomes, inspection requirements and health and safety 2018 Status: <i>In progress</i>	

AMS element	Key questions answered	Key document	Process	Tools
			<p>Performance monitoring Completion of annual reviews, management reviews and key performance indicator data collection and reporting. <i>2018 Status: To be developed</i></p>	

SECTION 10: ROLES & RESPONSIBILITIES FOR SERVICE DELIVERY

Clearly defined asset management roles and responsibilities are important as it positively affects the integration of an asset management culture. How services are delivered also impacts the integration of asset management ideals.

Our governance structure

Having a governance structure that supports asset management is key for successful implementation of asset management. The goal of governance is to set appropriate priorities and objectives for asset management for the City and ensure that they are achieved.

The City has a strong culture of teamwork across the service areas within the City and good communication at senior management level. The Corporate Leadership Team consists of department directors under the leadership of the Chief Administrative Officer as shown in Figure 8.

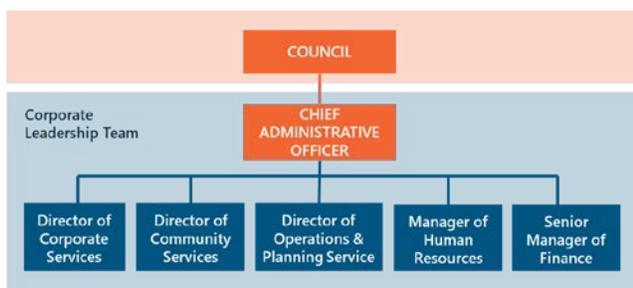


Figure 8 – Corporate Leadership Team

Who is currently responsible for asset management

The City is beginning the asset management implementation process. The role of the asset management team will evolve as the City's asset

management maturity increases over several phases.

- Phase 1 – strategy development and implementation of asset management improvement program
- Phase 2 – reviews of data accuracy, levels of service and systems, asset management plan development and implementation
- Phase 3 – operation, evaluation and monitoring of asset management plan outputs and ongoing asset management plans review and continuous improvement

The City has established an Asset Management Steering Committee to lead the process of integrating asset management into the City's organization.

The Asset Management Steering Committee, comprises of representatives from across the City's Business Units. Alongside this committee, the Mayor, Chief Administrative Officer and Directors of Business Units have been involved in the initial development stages including the development of the draft Asset Management Policy. This policy establishes responsible governance roles and accountability for asset management.

Figure 9 identifies the current governance structure for asset management within the City.

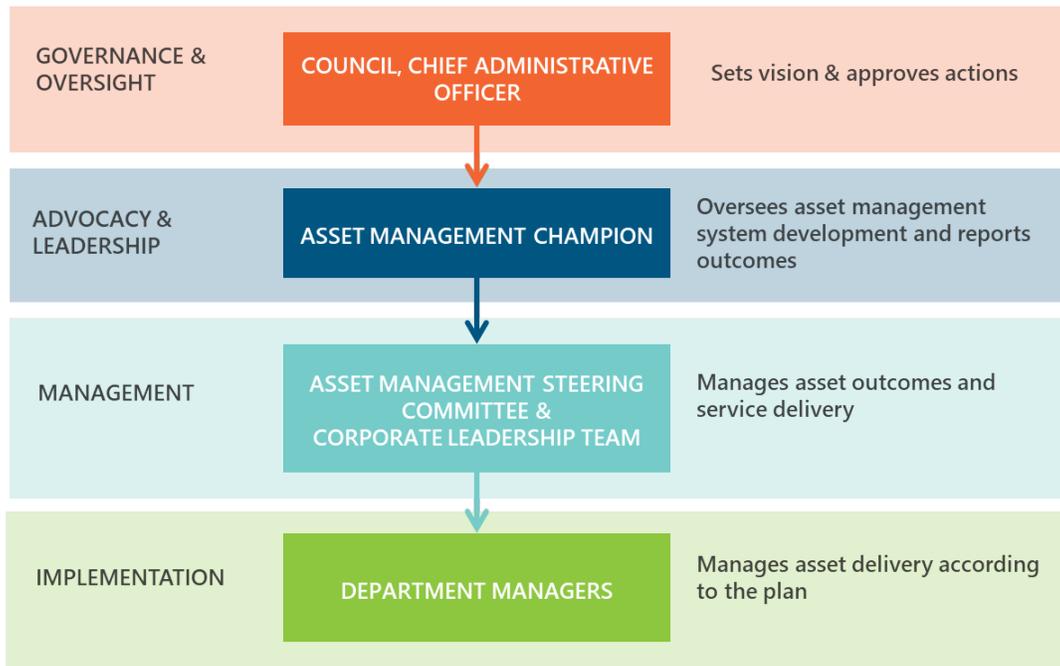


Figure 9 – Current asset management governance structure

Council

As described in the Asset Management Policy, Council’s role is to provide governance and leadership, and to set the asset management objectives by:

- Approving the Asset Management Policy
- Approving annual funding, and endorsing budgets and financial plans that align with the principles established within the Asset Management Policy
- Priority setting and articulating community values that guide asset management
- Approving asset management strategies and plans, as required

Chief Administrative Officer

The Chief Administrative Officer’s role in governance also includes:

- Periodically reviewing and considering updates to the Asset Management Policy
- Working with the Asset Management Steering Committee to lead the implementation of the Asset Management Policy across the organization

Asset Management Steering Committee

The Asset Management Steering Committee leading the asset management initiatives are responsible for:

- Working with Council to ensure asset management is adopted throughout the organization
- Implementing the approved Asset Management Policy and supporting the periodic review and update of the Asset Management Policy
- Developing asset specific practices that ensure consistent application of the Asset Management Policy including creating an inventory, assessing

asset performance and condition, identifying options for meeting current and future service needs, developing a decision-making process, and preparing a long-term action and financial plan; and delivering the plan.

Corporate Leadership Team

The Corporate Leadership Team works collectively alongside the Asset Management Steering Committee to:

- Provide appropriate and timely support to the Asset Management Steering Committee.
- Advise the Asset Management Steering Committee on strategic issues related to corporate decision making.

- Generate solutions to organizational challenges related to the implementation of asset management.
- Ensure consistency of asset management practices and processes across the departments, including adoption and application of common principles of sustainability and asset management.



Future development

Asset management roles and responsibilities to be further developed in this Strategy as they become better defined by the City.



SECTION 11: IMPROVING ASSET MANAGEMENT

Understanding the current state of asset management practice at the City helps us to establish a clear line of sight between our current asset management practices, governance, data and software and the City’s medium and long-term goals for implementing a resilient and sustainable Asset Management System.

Current state of asset management

The City has benefited from funding made available through the Federation of Canadian Municipalities to start the development of asset management. The first phase of this is development of an Asset Management Strategy and Policy project which includes the development of our:

- Asset Management Policy
- Asset Management Strategy
- Asset Management Framework as part of this strategy

As part of the project to develop our initial Strategy and Policy, a high-level assessment of the asset management “maturity” of the City’s current business practices has been completed by WSP.

The assessment of the current state of asset management practices was made in each of the following categories:

- Leadership and governance
- Financial capacity
- Know your assets
- Know your financial situation
- Understand decision-making
- Manage asset lifecycle
- Know the rules (legislation & regulation)
- Monitor sustainability

The assessment included questions related to asset management information, and the people and finances to support asset management practices.

The method used for rating asset management maturity scored each element of asset management practice using the scale in Table 3.

Table 3 – Maturity assessment scoring

Score	Description
1	None – does not exist or has not been started at this stage
2	Started – some work has begun or some parts of the asset management practice are available but progress is less than 40% complete
3	Progressing – work is underway and progress is more than 40% complete but there is still work to do
4	Complete – the required targets, standards, and/or outcomes for the asset management practice are completed, available, and in use in the business

Assessment results indicate that for most categories of asset management practice, the City is in the range between “started” and “progressing” as shown in Figure 10.

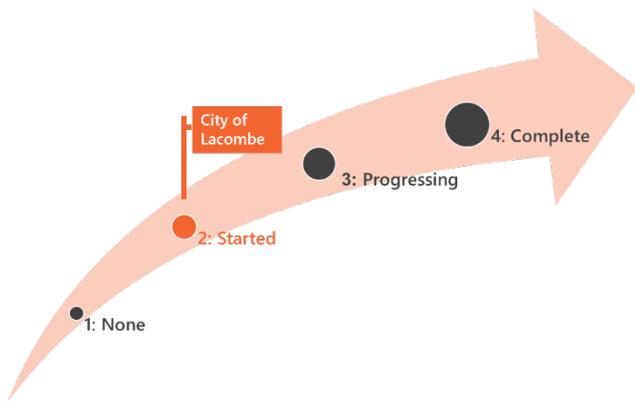


Figure 10 – City of Lacombe asset management maturity

The most mature areas are knowing the rules, knowing the assets and financial capacity. The least mature areas of practice are in understanding decision-making (having robust, transparent, repeatable, evidence-based decision processes) and managing asset lifecycle.

The results for all areas of assessment are shown in Figure 11, as well as an agreed 5-year target level of 3 (progressing) for asset management maturity for 2023. This sets a realistic target that we can measure achievement against. As asset management continues to be more well understood and implemented, we will review and may adjust our target level of asset management maturity over time.

As the City moves ahead with Asset Management practices, this initial maturity assessment can be used as a benchmark of the maturity in asset management practices, in a way that allows City staff to re-evaluate each year and report progress. This provides a key measure of success and a road map for moving forward.

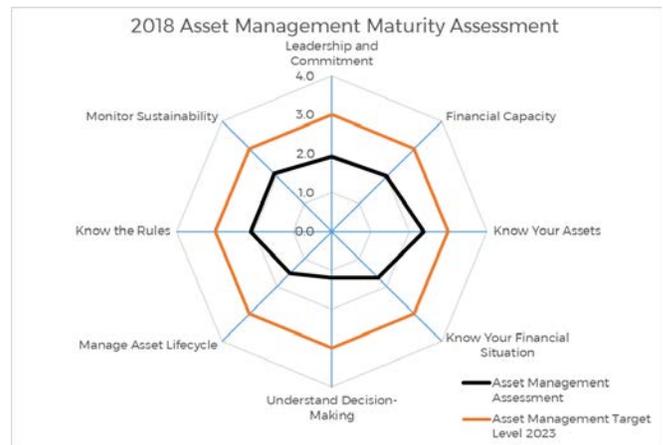


Figure 11 – Maturity assessment results and future target

Plan for improving in future

Through the maturity assessment process we have been able to identify key initiatives that will help us advance our asset management program over the next 1-5 years. The top 10 improvement initiatives are summarized in Table 4.

To achieve these improvement initiatives, we have developed a detailed **Implementation Program** that takes the priorities and improvement recommendations outlined below and sets out the specific activities, timeframes, resources, budgets and accountability required to achieve them. The Implementation Program is summarized in Appendix C.

Table 4 - Top 10 improvement initiatives from asset management maturity assessment

Priority tasks		Improvement action	Key deliverable(s)
1	Asset data management	<p>Establishment of asset data management systems and practices. This will require review of current datasets, software and tools, data completeness, accuracy and currency.</p> <p>Where possible start consolidating existing asset inventories, to provide one primary asset inventory (GIS). Identify data gaps and develop a prioritized data capture and improvement plan.</p> <p>Develop a Data Management Policy, Data Management Plan and software requirements.</p>	<p>List of all datasets, software, and tools</p> <p>Data management policy</p> <p>Data management plan</p>
2	Strategic & asset management goals	<p>Documentation of departmental asset management goals and link them to organizational strategy and development of Levels of Service at asset group level.</p>	<p>Departmental asset management goals (in departments' business plans)</p>
3	People	<p>Definition of roles and responsibilities for asset management. Along side this the City will need to identify resource needs for short-term and longer-term implementation of asset management as well as training needs.</p>	<p>Resource Plan</p>
4	Decision processes	<p>Progress toward evidence-based decision-making. Review and document decision processes for capital planning decisions. Evaluate the decision process for fairness, transparency, repeatability, and robustness.</p>	<p>Facilitated decision making workshop (with Subject Matter Expert)</p> <p>Decision making prioritization matrix</p>
5	Levels of Service	<p>Development of clearly defined levels of service for each service area for quality and quantity of service currently provided. Document levels of service, performance measures, current and future targets and measured outcomes.</p>	<p>Facilitated levels of service workshop (with Subject Matter Expert)</p> <p>Customer and technical levels of service for each asset group</p>
6	Cost tracking	<p>Look at how things are done now, identify needs and options. Implement cost tracking of work orders against relevant assets in conjunction with new asset management tools.</p>	<p>Works order management system</p>
7	Condition	<p>Development and implementation of a condition assessment strategy and assessment plan that is applicable to different asset groups, different rating methods, and the relevant importance of different assets for condition assessment.</p>	<p>Condition assessment strategy</p>

Priority tasks		Improvement action	Key deliverable(s)
8	Financial management	Assessment of asset replacement cost valuations through unit rate tables and asset lifespan. This will help to support the development of long term renewal plans for assets and services, and long-term revenue forecasts to measure financial sustainability.	Documented asset valuation process and data
9	Risk	Development of a risk management plan outlining the City's risk management approach. This will include development of an organization-wide risk management framework for risk identification, assessment, reporting, mitigation and monitoring. Also, will need to include functional requirements to integrate risk assessment with asset inventory datasets and asset management tools.	Risk management plan and framework
10	Asset Management Plans	<p>As improvement tasks are completed and when the relevant asset data is available, begin developing Asset Management Plan(s). These plans can be used to document outcomes from improvement actions above, as well as lifecycle management and planning procedures.</p> <p>Considerations in developing the asset management plan(s) should include:</p> <ul style="list-style-type: none"> • The optimum number of plans and whether they are service based, asset based etc • Their scope in terms of containing lifecycle asset strategies • How the plans should evolve and mature over time keeping in mind it is desirable to get interim plans as quickly as possible • Their ownership. 	Asset Management Plans



SECTION 12: PERFORMANCE MONITORING & INNOVATION

Asset management for the City is continually evolving and maturing. Performance monitoring is an important focus for the City and is critical to achieving improved suitability, adequacy and effectiveness of our asset management system. Innovation is one of City’s core values, and we want to foster it throughout the asset management implementation journey.

Monitoring and evaluating our performance

Measuring and reporting performance demonstrates value for money and that the City is providing agreed service outcomes. It also provides an incentive for departments to achieve their goals, which is important since the overall service outcome is a product of the performance of each department within the City.



Key Performance Indicators

As our asset management system becomes more fully established we will

set key performance indicators to assess. In the interim, we will use an annual re-assessment of the maturity assessment as our key performance indicator. The initial assessment results were recorded in a spreadsheet, designed for benchmarking the maturity in asset management practices, in a way that allows City staff to re-evaluate each year and report progress.

Updating and reviewing asset management documents

This Strategy and supporting Asset Management Plans (once developed) are intended to be “living”

documents. The Asset Management Steering Committee is intended to be the owner of the Asset Management Strategy, whereas the Asset Management Plans will be owned by individual departments (e.g. Service owners).

The proposed timeframes and frequency of review and update of the City’s planning documents are included in Table 5.

Table 5 – Update frequency for planning documents

Document	Frequency
Asset Management Policy	Every 5 years (or as needed)
Asset Management Strategy	Every year for first 3 years, then every 2-3 years
Asset Management Plan(s), including State of Assets	Every 2-3 years
10 Year Capital Plan	Annually
Capital and Operating Budgets	Annually
Long Term Financial Plan	Every Council term

Future development of this strategy

This Asset Management Strategy is the first completed by the City and reflects that we are starting out on our asset management journey. Some sections of this strategy are yet to be fully developed and Table 6 identifies areas for future development of this document, reflecting our desire to continuously improve our strategic asset management planning.



Future development

This strategy will be reviewed by the Asset Management Steering Committee on an annual basis for the first three years and every two years after that. Amendments need to be documented and the version control amended to suit.

Table 6 – Asset Management Strategy Future Development

Section	Development task	Responsibility
Section 1 Purpose of this plan	Council and Chief Administration Officer to endorse this Strategy	Council and Chief Administration Officer
Section 3 Business context	Undertake a more comprehensive business context analysis to inform future iterations of the Asset Management Strategy	Corporate Leadership Team
Section 4 Scope of this plan	As the City continues to collate more accurate inventory, condition and replacement costs data for our assets, we will be able to include a summary of the state of our infrastructure in this strategy. This can be used to guide the development of future asset management objectives, planning and decision making.	Asset Management Steering Committee
Section 5 Our stakeholders' needs and expectations	Undertake a more comprehensive stakeholder analysis, including development a stakeholder engagement matrix, to inform future iterations of the Asset Management Strategy.	Community Services
Section 8 Our planning and decision-making approach	Implement the project prioritization framework through an internal workshop conducted with City staff to refine inputs into this strategy	Asset Management Steering Committee
Section 9 Our asset management system structure	Asset Management System to be refined and formalized as the City begins to review how asset management will function within the organization	Asset Management Steering Committee
Section 10 Roles & responsibilities for service delivery	Asset management roles and responsibilities to be further developed in this Strategy as they become better defined by the City	Asset Management Steering Committee & Human Resources

Section	Development task	Responsibility
Section 13 Continual improvement monitoring & innovation	Asset Management Steering Committee to formally review the effectiveness of the asset management system and this strategy every year.	Asset Management Steering Committee

SECTION 13: RISKS & OPPORTUNITIES OF IMPLEMENTING THIS STRATEGY

Every strategy is only as good as its execution, and course changes are often needed as risks and opportunities arise during implementation. We have identified high level risks and opportunities associated with delivery of this Asset Management Strategy.

Table 7 – Risks of implementing the Asset Management Strategy

Event	Impact	Likelihood of impact	Overall risk	Risk mitigation
Program timescales and workloads of staff put pressure on asset management development projects	HIGH	HIGH	HIGH	Ensure steering committee members have some time commitment to asset management within their job description
Staff turnover and other transitions within the asset management team	MEDIUM	MEDIUM	MEDIUM	Ensure mentoring and role sharing
Conflicting corporate priorities	HIGH	MEDIUM	HIGH	Ensure Corporate Leadership Team provides continued support of asset management objectives and communicates any change in priorities
Political changes resulting in shifting Council priorities	MEDIUM	MEDIUM	MEDIUM	Early communication with newly elected Council and presentation of key asset management documents for endorsement
Lack of change management resources	MEDIUM	MEDIUM	MEDIUM	
Lack of funding to achieve necessary improvement initiatives	MEDIUM	HIGH	HIGH	Use Improvement Plan as a basis for projecting funding needs over the next 5 years
Asset management tools not well used or implemented	MEDIUM	MEDIUM	MEDIUM	Ensure asset management subject matter expert is involved in selection and / or implementation of tools. Training for City staff.

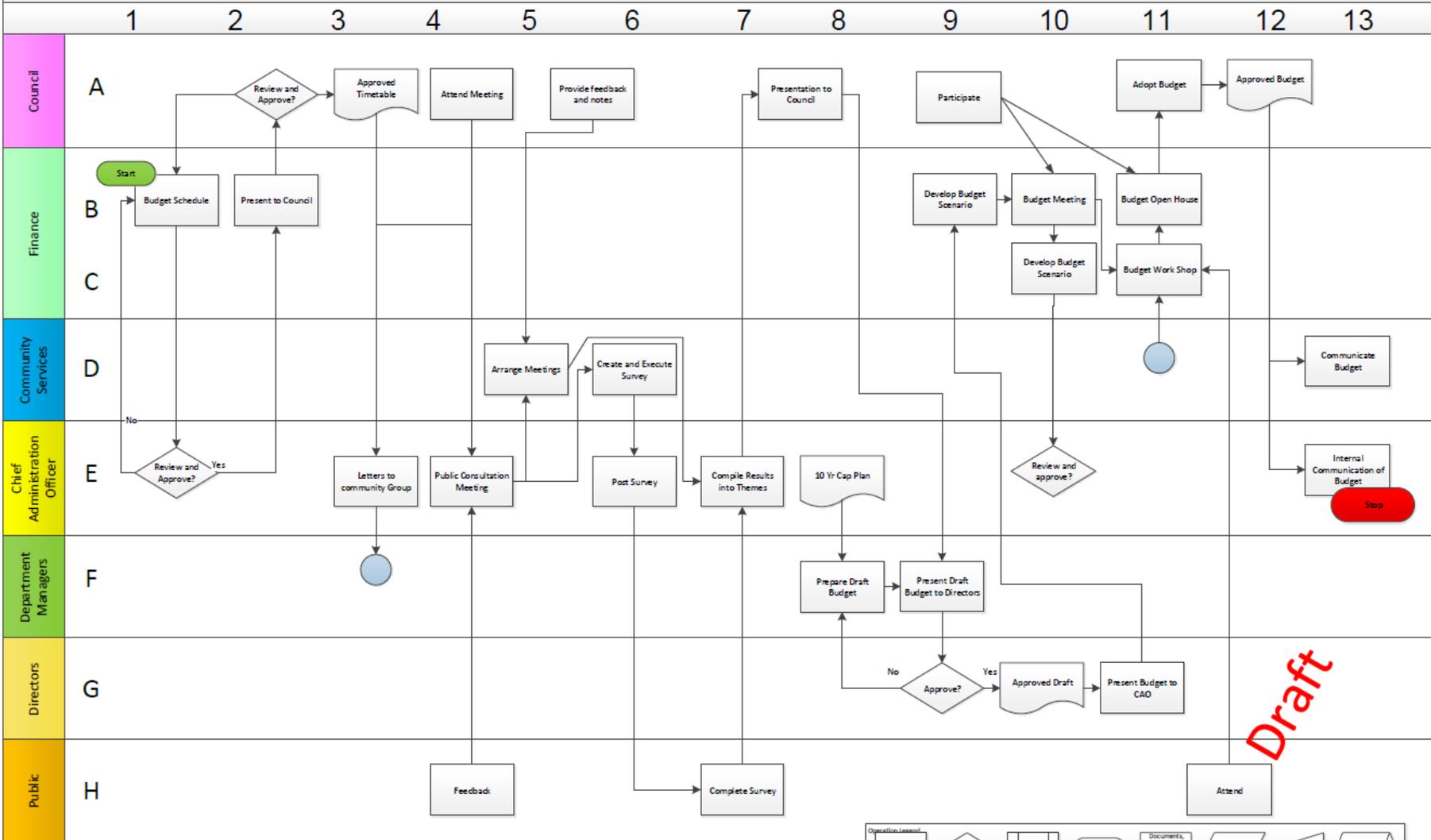
APPENDIX A – TERMS AND DEFINITIONS

Asset	a physical component of a system that has value, enables services to be provided, and has an economic life greater than 12 months.
Asset condition	the measure of the physical state of an asset, but may also include functional and demand considerations.
Asset life cycle	the full life span of an asset from the point when a need for it is first established, through design, construction, acquisition, operation, maintenance, renewal, decommissioning and disposal.
Asset management (AM)	the process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources.
AM information	meaningful data relating to assets and asset management.
AM objectives	asset management results to be achieved. They describe, in general terms, the activities and actions required to achieve required asset outcomes.
Asset Management Plan	documented information that specifies the activities, resources and timescales required for an individual asset, or a grouping of assets, to achieve the organization's management objectives.
Asset Management Policy	outlines an organization's commitment and mandated requirements for asset management.
Asset Management Strategy	outlines an organization's approach for implementing the asset management policy.
Asset management system	a set of interrelated or interacting elements of an organization, including people, practices, processes and technology, whose function is to establish the asset management policy and asset management objectives.
Asset portfolio	the assets that are included within the scope of the asset management system.
Asset risk	the risk of an asset failing to perform the way you need it to.

Capital Works Plan	an approved commitment of future work activities that are essential for the assets to meet organisational imperatives and asset preservation requirements. Work activities can include renewal, renovation/repurposing/upgrade or new assets.
Critical Asset	an asset that is essential to the functioning of and/or the services provided by the City and has a significant cost of failure from a financial, service loss or liability perspective.
Community	refers to all members of the public that live in, work in, operate businesses in and visit the City of Lacombe.
Disposal	a work activity that decommissions an asset and removes it from the asset register. This activity is triggered when the asset is not required by the organisation.
Infrastructure	the system of core physical assets, facilities and/or equipment developed and used by the City to support its social, cultural and economic activities.
Levels of Service	the defined standard for the provision of a particular service. Components of defining these standards include: quality, quantity, reliability, responsiveness, environmental acceptability and cost.
Life cycle cost	the combined cost of asset ownership over a lifetime, being the sum of the design, construction, acquisition, operation and any maintenance or renewal, and any decommissioning or disposal costs.
Long-term financial plan	financial planning with a 10 to 20-year horizon, that includes forecasting of all operations, maintenance, planned replacement needs and improvement costs, as well as revenue and depreciation requirements.
Maintenance	a work activity that responds to defects, breakdowns, replacement of consumable items, and failure of minor components, to ensure an asset continues to deliver the expected level of service.
Maturity assessment	a method of assessing an organization's current asset management practices and determining any gaps between this and the future desirable asset management practices.

Medium-term financial plan	financial planning with a 5 to 10-year horizon, that includes programmed operations, maintenance, planned replacement needs and improvement costs, as well as revenue and depreciation requirements.
Operation	the act of utilizing an asset, which typically consumes materials and energy.
Organizational objective	organizational results to be achieved. The organizational objectives provide high-level, comprehensive context and direction to an organization's activities, including asset management activities, i.e. Council strategic goals within the Strategic Plan, Sustainability Plan etc.
Renewal	the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset.
Resilience	the capacity of the City to function, so that the people living and working in it survive and thrive no matter what changes, stresses or shocks they encounter.
Risk	the chance that conditions or events may occur to cause a disruption to service delivery.
Risk management	the application of a formal process to the range of possible values relating to key factors associated with a risk to determine the resultant ranges of outcomes and their probability of occurrence.
Short-term financial planning	financial planning with a 1 to 3-year horizon, that includes committed operations, maintenance, planned replacement needs and improvement costs, as well as revenue and depreciation requirements. The plan is typically adopted by council and the ability to revise the plan is more challenging.
Stakeholder	a person, group, or organization that can affect, be affected by, or perceive themselves to be affected by a decision or activity.
Sustainability	meeting the needs of the present without compromising the ability of future generations to meet their own needs. Further defined in the Imagine Lacombe Municipal Sustainability Plan.
Triple bottom line	an expansion on the traditional view of an organization's financial bottom line by also measuring the organization's commitment to social and environmental factors

APPENDIX B – ANNUAL BUDGET PROCESS MAP



APPENDIX C – ASSET MANAGEMENT PLANS

The proposed format for our Asset Management Plans is included in below.

Plan section	Key question to be answered	Content description
Executive summary	Key outcome points	<ul style="list-style-type: none"> Provides an introduction and overview of the plan and answers key questions about the asset portfolio for the reader and discusses next steps
Introduction	Why do we need a plan?	<ul style="list-style-type: none"> Purpose and scope of the plan Asset summary – Brief summary of the assets owned by Yukon Government and covered by the plan Asset Stakeholders – who has an interest or function in this service area and who are our customers? Goals and objectives of asset ownership in this area – echo linkage to the Asset Management Strategy, policy and department goals Outline the aspired level of asset management practice. Some service areas may be best positioned at a basic level, others more advanced.
Levels of Service	Why we own assets	<ul style="list-style-type: none"> Describe the outputs the City intends to deliver Understanding customer expectations, and the trade-offs they are willing to make between costs and services
State of Infrastructure	How are we doing?	<ul style="list-style-type: none"> What we own and where it is Core and high value assets The condition of our assets The cost to replace our assets
Future demand	How are we planning for the future?	<ul style="list-style-type: none"> Demand inputs that drive the need for the assets Information used to forecast Demand management planning
Lifecycle management plan	How we provide the service?	<ul style="list-style-type: none"> Optimizing the management of its existing and future assets to provide the required services by: <ul style="list-style-type: none"> Maintaining and operating existing assets Renewing existing assets Providing new assets

Plan section	Key question to be answered	Content description
		<ul style="list-style-type: none"> • Confidence in forecast based on data reliability
Managing risk	How will we manage risks we face?	<ul style="list-style-type: none"> • Risk identification and treatment plan • Identifying critical assets – determine which assets have a significant potential to impact on achieving assessment management objectives • Emergency preparedness and business continuity planning
Financial Planning	What will it cost and how to pay for it?	<ul style="list-style-type: none"> • Financial statements and forecasts (10+ years) based on the lifecycle plans and service level information – includes operations, maintenance, renewals and new/improved assets • Funding strategy on how the required investments will be funded • Valuation forecasts that show whether we are enhancing, maintaining, or consuming the value of our asset portfolio
Plan improvement and monitoring	How can we do things better?	<ul style="list-style-type: none"> • A prioritised list of the areas for future improvement within the Asset Management Plan

APPENDIX D – IMPLEMENTATION PROGRAM

Yet to be included

ASSET MANAGEMENT STRATEGY



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